



2020-2021 Qualified Allocation Plan (QAP) Frequently Asked Questions (FAQs) 2021 Edition Updated May 8, 2020

COVID-19 UPDATES

- The 2021 tax credit application due date will be 120 days after all 92 counties advance to Stage 2 of the State's reopening plan. See RED Notice 20-23.
- Acceptable documentation dates for 2021 threshold & scoring documents are based on the original application date of July 27, 2020.
- The match requirement for projects requesting HOME funding in the 2021 tax credit round has been waived. See RED Notice 20-24.

SET-ASIDES

Community Integration:

- Q: Are the community integration designated units fixed or floating?
A: *The units must float throughout the development.*
- Q: Does the qualifying person with an I/DD have to be the head of household or be a certain age?
A: *No, it can be any member of the household.*
- Q: The QAP states the community integration units must be set at 30% rent restrictions. Does this still apply if those units are covered by project-based rental assistance?
A: *No, if the designated units are covered by project-based rental assistance, then the 30% rent limits can be assigned to other units in the development.*
- Q: Does this set-aside impose any special requirements for reasonable modifications?
A: *No, general Fair Housing rules apply. Depending on funding sources, Section 504 may apply which would require the owner to incur the costs of reasonable modifications. LIHTC alone does not trigger Section 504.*
- Q: If the next household that applies to live at my property happens to have a disability, but I'm already at my 25% cap for I/DD, do I have to turn away the household?
A: *No. Doing so would violate federal and state Fair Housing law under the disability protected class. While only 20-25% of the units can be reserved for occupancy by persons with I/DD, at a particular time more than 25% of the units may have households with a person with a disability.*
- Q: If the next household that applies to live at my property happens to have a disability, but I'm already at my 25% cap for I/DD, do I have to still apply the 30% tax credit rent limit to that unit?
A: *No. You would use the rent limit that applies to that available unit.*

THRESHOLD

- Q: Can you confirm what needs to be delivered to your office as part of the application package?
A: Just a flash drive with all the documents and the application fee check. We do not need a hard copy of any of the documents. **UPDATE: The application fee can now be paid using the online payment portal found [here](#).**
- Q: The soft cost contingency is limited to 3% of total soft costs. How is this calculated?
A: We will take the soft cost contingency (usually listed as line 7 of section h in the itemized costs in Form A) divided by the Contractor fees as listed in lines 5-7 of section c + architect and engineering fees in section d + other soft costs listed in section h. Developer fee is not included as a soft cost in the calculation.
- Q: If 30 days prior to the application submission date falls on a weekend or holiday, is Form C due the business day following or before the due date?
A: The Form C should be submitted the day before a weekend or holiday to ensure it was submitted at least 30 days before the application submission date.
- Q: Does IHCD require an appraisal any time a project is requesting Project Based Vouchers?
A: **IHCD will only require an appraisal to be submitted at the same times as the tax credit application if PBV are being requested through IHCD. If the local PHA is providing the vouchers an appraisal is not required to be submitted at that time. However, an appraisal will be required during the PBV subsidy layering review process.**
- Q: How does recent guidance from HUD on subsidy layering review affect the QAP's underwriting requirements for projects that have Project Based Vouchers?
A: **Please see the strikethrough text below for what has changed:**
 - **DCR between 1.1-1.45 for all 15 years**
 - **Cashflow <10% of total operating expenses in all 15 years**
 - **Income trending between 1-3% for years 1-5 and at 3% for years 6-15** ~~Income 2-3% for all 15 years~~
 - **Operating Expenses trending between 1-3% for ~~all 15 years~~ first 5 years and 3% for years thereafter**
 - **Replacement Reserves at 3%**
 - **Vacancy Rate ~~between 6-8%~~ not to exceed 7%**
- Q: To meet the Debt Coverage Ratio requirements, is IHCD looking at project DCR before or after deferred developer fee payment?
A: **IHCD is looking at DCR before payment of deferred developer fee as calculated on line 11 of the proforma in Form A.**

EVALUATION CRITERIA

- Q: Does a former church or school qualify as greyfield under **Neighborhood Stabilization**?
A: **The first qualification is that it must be a former retail center, and former schools and churches would not fall under that category.**
- Q: In providing **Internet Access** to each unit, can a building-wide network that all households can access in their units be used? Or must each individual unit be provided with individual internet/broadband service?
A: **A building-wide network that each tenant can access in their unit would be acceptable for this category.**
- Q: Which tax credit compliance certifications require annual renewals?
A: **The Certified Credit Compliance Specialist (C3P), National Compliance Professional (NCP), National Compliance Professional-Executive (NCP-E), and Housing Credit Certified Professional (HCCP) certifications all require renewals and need to be in current standing at time of application submission.**

- Q: Is the Unique Features narrative a separate part of the three-page project narrative or does it need to be a separate document?
A: The Unique Features narrative must be submitted as a separate document and cannot exceed one page in length.
- Q: Is stating-in the affidavit-the management team acknowledges the QAP and application commitments enough to qualify for eviction prevention points that are elected in Form A?
A: No. The management affidavit must specifically acknowledge the eviction prevention measures to qualify.

CLARIFICATIONS

- Q: Page 90 of the QAP states that the property manager's affidavit re: low barrier tenant screening belongs in Tab J; page 10 of Form A (scoring) states it belongs in Tab C. Which is right?
A: Please place in Tab J